



ARIZONA DEPARTMENT OF REVENUE

MEMORANDUM

DATE: March 31, 2005

FROM: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS

JANUARY 2005 TAX FACTS

SUMMARY OF GENERAL FUND REVENUES

	<u>January 2005</u>	<u>Fiscal Year Total</u>
Individual Income Tax		
Net Collections	\$ 326,119,658	\$ 1,508,715,812
Percent Change	37.8%	19.4%
Corporate Income Tax		
Net Collections	\$ 22,209,771	\$ 364,950,484
Percent Change	23.1%	58.3%
Transaction Privilege, Severance & Use Taxes		
Net Collections	\$ 356,818,639	\$ 2,104,399,374
Change	13.6%	10.3%
Total Big Three Tax Types		
Net Collections	\$ 705,148,068	\$ 3,978,065,670
Percent Change	24.0%	16.0%

January 2004 was the first month that the department used a new computer system to process transaction privilege tax and withholding. Some of the reports necessary to provide Tax Facts information are still under development. Those sections have been pulled from this report. Once the information is available, it will be sent out.

TAX FACTS JANUARY 2005

INDIVIDUAL INCOME TAX

Individual Income Tax Receipts

	January 2005	January 2004	% Change
Gross Collections	\$ 119,604,915	\$79,187,113	51.0
Withholding	249,542,466	204,879,796	21.8
Refunds	(11,938,341)	(17,001,915)	(29.8)
Urban Revenue Sharing	(31,089,382)	(30,422,097)	2.2
Net Collections	\$ 326,119,658	\$236,642,897	37.8

	Fiscal Year Total (04/05)	Fiscal Year 2003/04	% Change
Gross Collections	\$ 350,544,301	\$260,081,604	34.8
Withholding	1,468,752,156	1,328,734,477	10.5
Refunds	(92,954,975)	(112,726,305)	(17.5)
Urban Revenue Sharing	(217,625,671)	(212,954,676)	2.2
Net Collections	\$ 1,508,715,812	\$1,263,135,100	19.4

* FYTD 03/04 refunds and net collections do not include Ladewig attorney fees.

In January 2005, the department did not issue any individual or corporate income tax refunds for alternative fuel related credits.

Ladewig Refunds

In January 2005, the department issued 7,560 warrants totaling \$ 1,192,931 for Ladewig, a Supreme Court tax settlement case. For the fiscal year, 443,346 refunds have been issued for a total of \$ 126,510,856. Attorney payments are not included in the refund amount and total \$6,121,547 for the fiscal year. Refunds issued as a result of the Ladewig case are not included in the total refunds listed in the "Individual Income Tax Receipts" section above or the "Average Individual Income Tax Refund" section later mentioned in this publication.

Individual Income Tax Document Count

In calendar year 2004, the following individual income tax returns were filed:

	140X	140	140NR	140PY	140NPR	141 & 141AZ	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	46,264	1,575,957	88,795	102,431	3	44,198	297,353	13,315	197,269	2,625	13	2,368,223
%	1.9	66.5	3.7	4.3	0.0	1.9	12.6	0.6	8.3	0.1	0.0	

In calendar year 2005 the number of returns filed, and processed, are as follows:

	140X	140	140NR	140PY	140NPR	141 & 141AZ	140A	140PTC	140EZ	140ET	OTHER	TOTAL
#	1,135	68,077	1,740	1,882	0	316	40,781	1,580	10,227	141	3	125,882
%	0.9	54.1	1.4	1.5	0.0	0.3	32.4	1.3	8.1	0.1	0.0	

The 125,882 returns, representing current and prior tax years, filed through January 2005 compares to 33,906 returns filed during the same period of time in 2004 for an annual increase of 271.3%. For tax year 2004 filed in 2005, 117,887 returns have been filed, a 357.5% increase over filings through January 2004 for tax year 2003.

Year-Over-Year Comparison of Resident Taxpayers

Comparisons of Federal Adjusted Gross Income (FAGI) and tax liability growth between two tax years can be made by using data from taxpayers who have filed for both calendar years and have maintained the same filing status for both years. The Department of Revenue has received 38,434 returns in calendar year 2005 for tax year 2004 from filers who also have returns on record from calendar year 2004 with the same marital status. On average, these filers experienced a 7.2% increase in FAGI and a 10.9% increase in tax liability. More specifically, 24.6% of these filers experienced a decrease in tax liability; on average a decrease of 30.9% with a corresponding average decrease in FAGI of 13.8%. Filers with an increase in tax liability totaled 18,052 or 46.7% with an average FAGI increase of 19.9% and an average tax liability increase of 39.0%.

Average Individual Income Tax Refund

Net of Ladewig refunds.

	Average	Number
2005 CYTD	\$ 308.17	63,475
2004 CYTD	344.14	75,705
% Change	(10.5)	(16.2)

"New" Filers in Calendar Year 2005

Table 1 attached to this report, presents the number of "new" returns filed in calendar year 2005. "New" returns are for those filers who did not file in the previous calendar year. Therefore, these filers could be new full-year residents of Arizona, or they may be newly required to file an individual income tax return. (The filer may not have earned enough income in the previous year to file, such as a recent graduate just entering the work force.) The table indicates that 2,789 "new" returns have been filed thus far in 2005, representing approximately 3,187 persons, not including dependents. The average Federal Adjusted gross Income for these 2,789 returns is \$14,870, with an average tax liability of \$100. The right half of this table presents characteristics of the filers represented on the returns. Of all "new" returns, 12.3% had a married filing joint filing status, 1.2% claimed a 65 and Over Exemption and 74.5% claimed dependents.

Individual Income Tax Estimated Payments

Taxpayers are required to make estimated payments if their Arizona gross income will exceed \$75,000, in an amount which will represent unpaid tax liability at the end of the taxpayer's tax year. Total estimated payments paid with form 140ES for tax year 2003 was \$297.2 million, for an average of \$1,670. An additional \$74.8 million in estimated payments came from 2002 tax returns that applied their refunds as a 2003 estimated payment, for an average of \$1,752. Estimated payments received through January 2005 for tax year 2004 are as follows:

01/05	140ES payment	\$ 135,692,488	Cumulative	\$ 370,192,564
01/04	140ES payment	114,616,444	Cumulative	286,824,046
	% change	18.4		29.1
01/05	Average payment	\$ 3,978	Cumulative	\$ 2,063
01/04	Average payment	2,675	Cumulative	1,636
	% change	48.7		26.1
01/05	Applied refund	\$ 920,803	Cumulative	\$ 73,431,822
01/04	Applied refund	418,992	Cumulative	72,875,528
	% change	119.8		0.8
Total 01/05		\$ 136,613,292	Cumulative	\$ 443,624,386
Total 01/04		115,035,436	Cumulative	359,699,574
	% change	18.8		23.3

Withholding

Withholding payments are received from employers and applied towards a specific quarter for the designated year. Information is gathered for 15 months for any given quarter. For example, from January 2001 through March 2004, \$559,506,453 was received for the first quarter of 2003. The latest complete quarter (15 months of information has been compiled) is the second quarter of 2003, which shows an increase of 2.5% in withholding payments over the second quarter of 2002. Growth in quarters for which information is still being gathered is as follows:

1 st Quarter 2004	5.3%	3 rd Quarter 2004	6.6%
2 nd Quarter 2004	2.1%	4 th Quarter 2004	6.5%
		1 st Quarter 2005	7.5%

As of January 1, 2005, the current choices for withholding are 0%, 19%, 23%, 25%, 31%, or 37% as the percent of federal taxes to be withheld for state taxes. The 0% option is only available to those individuals who had no liability in the prior tax year and expect no tax liability for the current year.

Property Tax Credits

Arizona allows a refundable property tax credit for those who are age 65 or older or who received Title 16, SSI payments and pay property tax on a home. To qualify for this credit, household income must be below \$3,751 for individuals that live alone, or \$5,501 for those that live with others. The maximum credit is \$502.

	Number	Amount	Average
Calendar Year 2005	947	\$ 387,502	\$ 409.19
Calendar Year 2004	699	282,333	403.91
% Change	35.5	37.2	1.3

Clean Elections

As a result of the November 1998 voter approval of the Citizens Clean Elections, Arizona's income taxpayers can make a donation to the Citizens Clean Elections Commission through an income tax check-off or through a voluntary donation. The following is for tax year 2004:

	January 2005	Calendar Year Total
Check Off	\$ 109,411	\$ 109,411
Voluntary Donation	\$ 550	\$ 550
Number of Returns	18,062	18,062

Contributions on the Individual Income Tax Return

Through January 2005, individual income tax return filers have made the following contributions:

	Number	Amount	Average
Wildlife	165	\$ 2,123	\$ 12.87
Child Abuse	327	4,318	13.20
Special Olympics	103	1,198	11.63
Neighbors Helping	60	502	8.37
AID to Education	12	679	56.58
Domestic Violence Shelter	199	2,617	13.15
Democratic Party	20	386	19.30
Republican Party	13	204	15.69
Libertarian Party	1	10	10.00

CORPORATE INCOME TAX

Corporate Income Tax Receipts

	Jan 2005	Jan 2004	% Change
Gross Collections	\$26,481,318	\$20,205,126	31.1
Refunds	(\$4,271,547)4	(\$2,157,873)	98.0
Net Collections	\$22,209,771	(\$18,047,254)	23.1

	Fiscal Year Total	Prior Fiscal Year Total	% Change
Gross Collections	\$411,738,087	\$311,201,686	32.3
Refunds	(\$46,787,603)	(\$80,591,062)	(41.9)
Net Collections	\$364,950,484	\$230,610,624	58.3

Corporate Estimated Payments

Corporations are required to file estimated tax payments throughout the year only if (1) their Arizona tax liability exceeds \$1,000 and (2) they are required to file federal estimated tax payments.

Jan 2005	\$ 21,883,140	Calendar Year Total	\$ 21,883,140
Jan 2004	\$ 15,712,690	Calendar Year Total	\$ 15,712,690
% Change	39.3 %	% Change	39.3 %

All corporations with an income tax liability of \$20,000 or greater are required to make their estimated tax payments through electronic funds transfer (eft). The table below shows the number of these eft estimated payments, by size of payment, for January 2005 and for the calendar year.

Size of Payment →	Less than \$50,000	\$50,000 up to \$100,000	\$100,000 up to \$500,000	\$500,000 up to \$1,000,000	\$1,000,000 up to \$10,000,000	\$10,000,000 and more	Total	% chg
Jan 2005	146	17	15	4	5	0	187	9.4
Jan 2004	137	14	14	2	4	0	171	
CY 2005	146	17	15	4	5	0	187	9.4
CY 2004	137	14	14	2	4	0	171	

Corporate Refunds

Corporate refunds paid in any state fiscal year are for a mixture of corporate fiscal years. The table below presents the percent of refunds paid in FY 03/04 by corporate fiscal year. For example, in FY 03/04, 9.2% of the refund dollars paid were for corporate fiscal years ending in 1999 or before. The percentages are for refunds paid through the fiscal year.

Corporate Fiscal Year-End:	99 & Prior	00	01	02	03	04
FY 03/04	9.2%	2.7%	3.0%	74.5%	10.4%	0.2%

Corporate Fiscal Year-End:	00 & Prior	01	02	03	04	05
FY 04/05	13.6%	5.9%	1.8%	71.5%	7.2%	0.1%

The corporate refunds shown above are those refunds for which a check is mailed to the corporation. Sometimes corporations choose to apply their refund as an estimated payment. The following table presents refunds applied as estimated payments in the most recent month and for the calendar year

Jan 2005	\$2,808,393	Calendar Year Total	\$2,808,393
Jan 2004	\$8,262,500	Calendar Year Total	\$8,262,500
% Change	(66.0%)	% Change	(66.0%)

Corporate Income Tax Document Count

The Arizona Department of Revenue received 108,944 corporate returns showing a fiscal year-end of 2003. The type of return received is indicated below:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	310	34,904	61,775	391	11,564
%	0.3	32.0	56.7	0.4	10.6

Through January 2005, 9,084 documents were received for a fiscal year-end of 2004, distributed as follows:

	120 X (amended)	120 (regular)	120S (S corp)	99T (exempt org.)	120 A (short form)
#	28	6,700	347	71	1,938
%	0.3	73.8	3.8	0.8	21.3

The figures for the 2004 returns are most meaningful when compared to 2003 returns received during the same period of time in the previous year. Through January 2004, the Department of Revenue received 6,720 documents with a fiscal year-end of 2003. Compared to 2004 documents, the Department has seen a 35.1% **increase** in the number of corporate returns received at this point of time in the calendar year.

Urban Revenue Sharing Returned to Cities/Towns

Incorporated cities and towns receive a share of net individual and corporate income tax collections, called Urban Revenue Sharing. The amount of money to be distributed during Fiscal Year 2004/05 is 15.0% of net proceeds from Fiscal Year 2002/03 income tax. Amounts returned for January 2005 are shown on Table 2, at the end of this report.

TRANSACTION PRIVILEGE, SEVERANCE AND USE TAXES

Transaction Privilege, Severance and Use Tax Receipts

The Arizona transaction privilege and severance tax consists of many classifications of tax. These classifications include but are not limited to retail, contracting, amusements, restaurants and bars, hotel/motel and mining severance tax. The collections for all such categories are divided, per statute, into two parts. One part is called distribution base; the other part is known as non-shared. The division of collections into these two parts varies from category to category. For example, retail sales tax is 40% distribution base and 60% non-shared. In contrast, contracting is 20% distribution base and 80% non-shared. Use tax is 100% non-shared.

At the close of each month, transaction privilege and severance tax collections are aggregated by category and total distribution base and non-shared portions are calculated. The amount shown as "Use Tax" in the table below includes use tax, use inventory tax and jet fuel use tax. Education tax is in accordance with Proposition 301 resulting in an additional 0.6% education tax being added to most business classifications. The "Other Revenue" category includes county excise, road, jail and hospital taxes and various other excise taxes, such as the 911 excise tax.

	January 2005	January 2004	% change
Distribution Base	\$ 151,161,990	\$ 134,254,358	12.6%
Non shared	280,548,580	247,767,467	13.2%
Other Revenues	60,589,230	54,489,102	11.2%
Education Tax	53,434,027	47,135,954	13.4%
Use Tax	24,134,289	19,918,918	21.2%
Total Collections	\$ 569,868,116	\$ 503,565,799	13.2%

	Fiscal Year Total (04/05)	Fiscal Year Total (03/04)	% change
Distribution Base	\$ 858,109,779	\$ 782,030,625	9.7%
Non shared	1,655,346,784	1,503,536,488	10.1%
Other Revenues	357,660,771	328,440,396	8.9%
Education Tax	311,759,113	283,799,915	9.9%
Use Tax	153,090,526	135,171,598	13.3%
Total Collections	\$ 3,385,996,975	\$ 3,032,979,022	10.0%

Distribution of Transaction Privilege, Severance and Use Tax Receipts

Of the distribution base portion of transaction privilege and severance taxes, described above, 25% is returned to incorporated cities/towns, 40.51% is returned to counties and 34.49% goes to the state general fund with the exception of mining severance tax. All of the non-shared revenue and use tax is deposited into the general fund. Therefore, the "Retained By State" figure presented below includes all non-shared portion of transaction privilege tax, use tax and 34.49% of the distribution base collections. The education tax is distributed in accordance with Proposition 301. "Other" revenues are returned to the administering authority.

	January 2005	January 2004	% change
Retained by State	\$ 356,818,639	\$ 313,990,713	13.6%
Returned to Counties	61,235,722	54,386,440	12.6%
Returned to Cities	37,790,498	33,563,589	12.6%
Education Tax	53,434,027	47,135,954	13.4%
Other Revenues	60,589,230	54,489,102	11.2%
Total Collections	\$ 569,868,116	\$ 503,565,799	13.2%

	Fiscal Year Total (04/05)	Fiscal Year Total (03/04)	% change
Retained by State	\$ 2,104,399,374	\$ 1,908,430,448	10.3%
Returned to Counties	347,620,272	316,800,606	9.7%
Returned to Cities	214,527,445	195,507,656	9.7%
Education Tax	311,759,114	283,799,915	9.9%
Other Revenues	357,660,771	328,440,396	8.9%
Total Collections	\$ 3,335,966,974	\$ 3,032,979,022	10.0%

Transaction Privilege and Severance Tax Collections By Class

	Tax Rate	January 2005	% Chg	Fiscal Year Total	% Chg
Transporting	5.6%	206,815	(1.7%)	1,675,629	(30.7%)
Non-Metal Mining Oil/Gas	3.125%	874,688	21.8%	5,537,496	8.8%
Utilities	5.6%	26,337,413	15.4%	216,819,013	6.8%
Communications	5.6%	11,913,352	(0.5%)	85,127,471	3.9%
Private Car/Pipelines	5.6%	58,065	962.9%	389,489	(17.3%)
Publishing	5.6%	613,310	16.9%	3,955,796	5.3%
Job Printing	5.6%	1,496,726	1.3%	10,391,480	(1.0%)
Restaurants & Bars	5.6%	35,639,185	16.2%	216,459,268	9.6%
Amusements	5.6%	3,717,067	15.9%	22,536,711	5.0%
Commercial Lease	0%	249	2.9%	30,804	NA
Rental of Personal Property	5.6%	14,477,422	3.6%	93,475,776	2.2%
Contracting	3.75% - 5.6%	73,995,550	23.5%	458,149,669	19.1%
Feed Wholesale	Repealed	0	NA	0	NA
Retail	5.6%	252,521,615	10.4%	1,335,464,897	8.6%
Mining Severance	2.5%	1,772,706	256.3%	8,474,188	284.5%
Timber Severance	\$2.13/\$1.51 per 1000 board ft	978	NA	5,650	(73.0%)
Hotel/Motel	5.5%	7,776,801	11.4%	52,304,515	8.6%
Membership Camping	5.6%	24,189	68.9%	80,376	35.3%
Use Tax	5.6%	24,145,316	21.2%	153,195,912	13.3%
Rental Occupancy Tax	3.0%	7,623	(35.2%)	4,580	NA
Jet Fuel	\$.0305/\$.0105 gal	244,283	(15.5%)	2,437,918	5.0%
Telecommunications Devices	1.1				
Telecomm	----	358,007	(15.0%)	2,519,298	(18.3%)
School for the Deaf and Blind		94,766	(32.5%)	743,482	7.2%
Poison Control	----	121,091	10.3%	772,190	(15.5%)
Teratogen Funding		5,265	NA	31,470	NA
911 Wireline	\$0.37/month per active service	1,195,206	(3.4%)	8,145,289	1.6%
911 Wireless	\$0.37/month per active service	1,119,853	12.5%	7,515,953	9.3%
Total		\$ 458,717,542		\$ 2,686,244,318	10.1%

The Use/Use Inventory category shown on the previous page includes jet fuel use tax. These collections include only the individual classes of transaction privilege tax, severance tax and use tax. The total does not include license fees or any other fees collected by the department.

Transaction Privilege and Severance Tax Taxable Sales By Class¹

	January 2005	% Chg	Fiscal Year Total	% Chg
Transporting	4,183,454	(0.6%)	33,586,100	(30.5%)
Non-Metal Mining Oil/Gas	27,990,017	21.8%	177,288,642	8.9%
Utilities	526,748,258	15.4%	4,338,409,923	6.8%
Communications	238,267,032	(0.5%)	1,703,436,096	4.0%
Private Car/Pipelines	1,161,301	962.9%	7,793,822	(17.3%)
Publishing	12,267,522	16.9%	79,184,025	5.4%
Job Printing	29,934,900	1.3%	207,942,499	(0.9%)
Restaurants & Bars	712,789,903	16.2%	4,331,522,200	9.6%
Amusements	74,341,340	15.9%	451,005,655	5.1%
Commercial Lease	8,297	2.9%	901,655	NA
Rental of Personal Property	289,548,859	3.6%	1,870,557,438	2.2%
Contracting	1,488,096,135	24.2%	9,218,093,231	19.8%
Feed Wholesale	0	NA	0	NA
Retail	5,050,779,350	10.4%	26,724,420,830	8.6%

¹These Taxable Sales figures are calculated on a per return basis, by taking collections and dividing them by the appropriate tax rate. These figures may not match other Taxable Sales figures calculated on the aggregate.

Mining Severance	70,908,229	256.3%	339,061,700	284.6%
Timber Severance	500	NA	2,797	(78.0%)
Hotel/Motel	141,396,374	11.4%	951,603,931	8.6%
Membership Camping	483,781	68.9%	1,609,062	43.7%
Use Tax	482,768,763	21.2%	3,075,346,256	13.9%
Rental Occupancy Tax	254,112	(35.2%)	154,463	NA
Total	9,151,928,127		53,511,920,324	10.6%

Telecommunications Devices, 911 Excise and 911 Wireless Service classifications previously listed in the collections table are not elements of calculated taxable income and therefore, are not included in the above table. The Use/Use Inventory category shown above does not include jet fuel use tax. Since the jet fuel use tax is a gallonage tax, this too can not be computed as taxable income. Timber Severance includes only sales subject to a repealed rate. The current tax is per board feet upon which taxable income cannot be computed.

Taxable Sales by SIC Code Range

The taxable sales by SIC (Standard Industrial Classification) code range is undergoing a conversion to NAICS codes. The information since January 2004 is not yet available. Once it is available, it will be sent under separate cover.

Transaction Privilege and Severance Tax Returned to Counties

Taxpayers reported the following taxable transactions and tax collections by county. The share of the revenues returned to each county for January 2005 is shown in the County Share column.

	County Share	% of Total	FYTD County Share	% Change
Apache	448,833	0.7%	2,612,056	8.2%
Cochise	1,352,591	2.2%	7,567,852	28.2%
Coconino	1,111,169	1.8%	7,660,738	(10.7%)
Gila	453,387	0.7%	2,666,111	5.3%
Graham	274,245	0.4%	1,564,180	7.9%
Greenlee	242,987	0.4%	1,466,500	42.0%
La Paz	176,726	0.3%	993,837	8.2%
Maricopa	39,513,473	64.5%	223,347,291	9.8%
Mohave	1,750,338	2.9%	9,892,057	13.7%
Navajo	903,785	1.5%	5,506,297	8.3%
Pima	9,145,349	14.9%	51,491,606	8.6%
Pinal	1,659,866	2.7%	9,420,986	11.6%
Santa Cruz	414,431	0.7%	2,258,712	6.9%
Yavapai	2,133,182	3.5%	12,147,780	12.6%
Yuma	1,655,362	2.7%	9,024,269	11.8%
Total	61,235,722		347,620,272	9.7%

Transaction Privilege and Severance Tax Returned to Cities/Towns

The portion of transaction privilege and severance tax returned to each incorporated city or town for January 2005 is shown on Table 3, attached to this report.

County Tax Collections

The following county-imposed tax collections were received by the Department of Revenue during January 2005 and returned to the counties. The rental car surcharge in Maricopa County is \$2.50 per car and in Pima County is \$3.50 per car. The RV Surcharge in Pima County is \$0.50/day on each lease or rental of a parking space for recreational vehicles.

	Road Tax	Excise Tax	Jail Tax	Rental Car Surcharge	Stadium Tax	RV Surcharge	Hospital Tax/Health SVCS Dist	Capitol Projects	Tourism Authority
Apache		89,956							
Cochise		671,366							
Coconino		737,275	441,150					183,461	
Gila	274,944	261,946							
Graham		120,401							
Greenlee		68,357							
La Paz		92,252	92,252				325		
Maricopa	31,964,558		11,645,802	354,842	236				1,432,405
Mohave		714,379							
Navajo		510,485							
Pima				86,393		27,701			
Pinal	1,123,010	1,091,352							
Santa Cruz		263,884							
Yavapai		1,330,316	664,759						
Yuma		1,094,241	1,094,198					1,092,669	

OTHER TAXES

Luxury Taxes

The following revenues were received from luxury taxes in January 2005. The table compares the receipts to January 2004 and also compares fiscal year (FY) totals. Figures may not add to total due to rounding.

	January 2005	January 2004	% Change
Spirituous	\$ 3,738,233	\$ 2,601,359	43.7
Vinous	1,985,342	896,640	121.4
Malt	2,338,588	1,739,443	34.4
Cigarette	20,808,890	25,090,947	(17.1)
Other Tobacco	807,985	697,510	15.8
Tobacco Licenses	300	375	(20.0)
Total	\$ 29,679,339	\$ 31,026,275	(4.3)

	Fiscal Year (04/05)	Fiscal Year (03/04)	% Change
Spirituous	\$ 14,494,564	\$ 13,579,696	6.7
Vinous	6,448,994	5,925,512	8.8
Malt	13,470,830	12,643,930	6.5
Cigarette*	158,636,380	154,952,509	2.4
Other Tobacco	4,993,754	4,527,045	10.3
Tobacco Licenses	2,175	2,750	(20.9)
Total	\$ 198,046,697	\$ 191,631,443	3.3

*Through January 2005, \$448,500 of cigarette and tobacco tax collections has been allocated for administrative expenses and is not included in the cigarette collections above.

General Fund revenues from luxury taxes:

	January 2005	Fiscal Year (04/05)
Spirituous	\$ 2,616,763	\$ 10,146,195
Vinous	495,230	1,607,230
Malt	584,647	3,367,707
Cigarette	2,708,909	21,212,220
Other Tobacco	125,238	778,723
Tobacco Licenses	300	2,175
Total	\$ 6,531,087	\$ 37,114,160

Other dedicated revenues from luxury taxes:

	January 2005	Fiscal Year (04/05)
Correction Fund revenues	\$ 3,371,252	\$ 16,279,027
Tobacco Tax & Health Care Fund ²	\$ 7,305,559	\$ 55,439,294
Tobacco Products Tax Fund ³	\$ 11,013,319	\$ 82,769,750
Wine Promotional Fund revenues	\$ 4,421	\$ 20,071
Drug Treatment & Education Fund revenues	\$ 1,039,188	\$ 4,596,575
Corrections Revolving Fund revenues	\$ 414,513	\$ 1,827,820

² Formerly the Health Care Fund

³ This Fund was created by Prop. 303, which increased cigarette & other tobacco products tax rates in November 2002.

Estate Tax

January 2005	\$ 1,641,885	Fiscal Year to Date	\$ 22,387,487
January 2004	<u>\$ 2,521,651</u>	Fiscal Year To Date	<u>\$ 23,159,717</u>
% Change	(34.9)	% Change	(3.3)

Bingo

January 2005	\$ 70,451	Fiscal Year to Date	\$ 360,725
January 2004	<u>\$ 72,438</u>	Fiscal Year to Date	<u>\$ 371,318</u>
% Change	(2.7)	% Change	(2.9)

Unclaimed Property

January 2005	\$ 2,078,007	Fiscal Year to Date	\$ 34,552,913
January 2004	<u>(\$ 1,259,686)</u>	Fiscal Year to Date	<u>\$ 29,613,227</u>
% Change	NA	% Change	16.7

Please note that some totals throughout Tax Facts may not add due to rounding.

SOURCE: THE OFFICE OF ECONOMIC RESEARCH & ANALYSIS,
ARIZONA DEPARTMENT OF REVENUE

TABLE 1
“New” Returns Filed in 2005 for Tax Year 2004
Through January 2005

Federal Adjusted Gross Income Bracket	Number of Returns	% of Total	Average FAGI	Average Tax Due	CHARACTERISTICS OF TAXPAYERS					
					% Married Joint	% Single	% Unmarried Head	% Married Separate	% Over 65	% With Dependents
Negative FAGI	4	0.1%	\$0	\$0	14.3%	42.9%	28.6%	14.3%	14.3%	28.6%
\$0-\$5,000	352	12.6%	\$3,214	\$0	5.1%	52.4%	42.5%	0.0%	1.7%	64.0%
\$5,000-\$10,000	715	25.6%	\$7,656	\$12	6.6%	47.3%	46.0%	0.1%	1.4%	68.2%
\$10,000-\$15,000	597	21.4%	\$12,521	\$35	10.9%	26.0%	63.1%	0.0%	1.3%	80.7%
\$15,000-\$20,000	463	16.6%	\$17,512	\$90	16.8%	20.3%	61.8%	1.1%	0.9%	79.5%
\$20,000-\$25,000	308	11.0%	\$22,367	\$167	25.6%	20.1%	53.6%	0.6%	0.0%	80.2%
\$25,000-\$30,000	141	5.1%	\$27,533	\$271	27.7%	22.0%	50.4%	0.0%	1.4%	81.6%
\$30,000-\$40,000	136	4.9%	\$33,972	\$359	23.4%	23.4%	53.3%	0.0%	1.5%	73.7%
\$40,000-\$50,000	37	1.3%	\$44,279	\$711	32.4%	32.4%	32.4%	2.7%	0.0%	70.3%
\$50,000-\$75,000	29	1.0%	\$57,233	\$909	51.7%	17.2%	31.0%	0.0%	0.0%	75.9%
\$75,000-\$100,000	6	0.2%	\$84,223	\$1,983	66.7%	16.7%	0.0%	16.7%	0.0%	50.0%
\$100,000-\$200,000	*	*	*	*	*	*	*	*	*	*
\$200,000-\$500,000	*	*	*	*	*	*	*	*	*	*
\$500,000-\$1,000,000	*	*	*	*	*	*	*	*	*	*
\$1,000,000 and over	*	*	*	*	*	*	*	*	*	*
Total	2,789		\$14,870	\$100	12.3%	28.8%	46.3%	0.3%	1.2%	74.5%

*An asterisked line indicates that the information cannot be released due to confidentiality laws.

NEW RETURNS FILED IN 2004 FOR TAX YEAR 2003

Total	239,280	\$20,074	\$334	16.5%	49.4%	15.8%	1.7%	7.5%	32.9%
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“NEW” Returns means that there was no return filed by the taxpayer in the previous filing year. This may or may not mean the filer is new to the state.

TABLE 2
Urban Revenue Sharing Returned to Cities/Towns
January 2005

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Surprise	\$236,360	30,848
Eagar	\$30,901	4,033	Tempe	\$1,215,397	158,625
Springerville	\$15,110	3,548	Tolleson	\$38,111	4,974
St. Johns	\$27,185	1,972	Wickenburg	\$38,939	5,082
<u>Cochise County</u>			Youngtown	\$23,063	3,010
Benson	\$36,096	4,711	<u>Mohave County</u>		
Bisbee	\$46,662	6,090	Bullhead City	\$258,741	33,769
Douglas	\$126,600	16,523	Colorado City	\$25,546	3,334
Huachuca City	\$13,416	1,751	Kingman	\$153,770	20,069
Sierra Vista	\$289,435	37,775	Lake Havasu City	\$321,332	41,938
Tombstone	\$11,524	1,504	<u>Navajo County</u>		
Willcox	\$28,603	3,733	Holbrook	\$37,674	4,917
<u>Coconino County</u>			Pinetop-Lakeside	\$27,446	3,582
Flagstaff	\$405,278	52,894	Show Low	\$58,960	7,695
Fredonia	\$7,938	1,036	Snowflake	\$34,173	4,460
Page	\$52,171	6,809	Taylor	\$24,335	3,176
Williams	\$21,776	2,842	Winslow	\$72,943	9,520
<u>Gila County</u>			<u>Pima County</u>		
Globe	\$57,358	7,486	Marana	\$103,867	13,556
Hayden	\$6,835	892	Oro Valley	\$244,681	31,934
Miami	\$14,834	1,936	Sahuarita	\$24,840	3,242
Payson	\$104,357	13,620	South Tucson	\$42,065	5,490
Winkelman	\$3,394	443	Tucson	\$3,729,125	486,699
<u>Graham County</u>			<u>Pinal County</u>		
Pima	\$15,240	1,989	Apache Junction	\$243,761	31,814
Safford	\$70,736	9,232	Casa Grande	\$193,268	25,224
Thatcher	\$30,817	4,022	Coolidge	\$59,657	7,786
<u>Greenlee County</u>			Eloy	\$79,494	10,375
Clifton	\$19,891	2,596	Florence	\$116,778	15,241
Duncan	\$6,222	812	Kearny	\$17,232	2,249
<u>La Paz County</u>			Mammoth	\$13,501	1,762
Parker	\$24,059	3,140	Maricopa	\$38,295	4,998
Quartzsite	\$25,699	3,354	Superior	\$24,932	3,254
<u>Maricopa County</u>			<u>Santa Cruz County</u>		
Avondale	\$274,938	35,883	Nogales	\$159,969	20,878
Buckeye	\$65,105	8,497	Patagonia	\$6,750	881
Carefree	\$22,427	2,927	<u>Yavapai County</u>		
Cave Creek	\$28,564	3,728	Camp Verde	\$72,414	9,451
Chandler	\$1,355,720	176,939	Chino Valley	\$62,576	8,167
El Mirage	\$58,301	7,609	Clarkdale	\$26,220	3,422
Fountain Hills	\$155,042	20,235	Cottonwood	\$70,330	9,179
Gila Bend	\$15,171	1,980	Jerome	\$2,521	329
Gilbert	\$840,506	109,697	Prescott	\$260,036	33,938
Glendale	\$1,676,554	218,812	Prescott Valley	\$180,327	23,535
Goodyear	\$144,898	18,911	Sedona	\$78,092	10,192
Guadalupe	\$40,057	5,228	<u>Yuma County</u>		
Litchfield Park	\$29,193	3,810	San Luis	\$117,398	15,322
Mesa	\$3,047,790	397,776	Somerton	\$55,673	7,266
Paradise Valley	\$104,695	13,664	Wellton	\$14,014	1,829
Peoria	\$830,293	108,364	Yuma	\$595,228	77,685
Phoenix	\$10,121,948	1,321,045			
Queen Creek	\$33,070	4,316	TOTAL	\$ 31,089,382	4,057,566
Scottsdale	\$1,553,141	202,705			

TABLE 3
Transaction Privilege and Severance Tax Returned to Cities/Towns
January 2005

City	Distribution	Population	City	Distribution	Population
<u>Apache County</u>			Scottsdale	\$1,886,996	202,705
Eagar	\$37,544	4,033	Surprise	\$287,166	30,848
Springerville	\$18,357	1,972	Tempe	\$1,476,652	158,625
St. Johns	\$33,029	3,548	Tolleson	\$46,303	4,974
<u>Cochise County</u>			Wickenburg	\$47,309	5,082
Benson	\$43,855	4,711	Youngtown	\$28,020	3,010
Bisbee	\$56,692	6,090	<u>Mohave County</u>		
Douglas	\$153,814	16,523	Bullhead City	\$314,358	33,769
Huachuca City	\$16,300	1,751	Colorado City	\$31,036	3,334
Sierra Vista	\$351,650	37,775	Kingman	\$186,824	20,069
Tombstone	\$14,001	1,504	Lake Havasu City	\$390,404	41,938
Willcox	\$34,751	3,733	<u>Navajo County</u>		
<u>Coconino County</u>			Holbrook	\$45,773	4,917
Flagstaff	\$492,394	52,894	Pinetop/Lakeside	\$33,345	3,582
Fredonia	\$9,644	1,036	Show Low	\$71,633	7,695
Page	\$63,386	6,809	Snowflake	\$41,518	4,460
Williams	\$26,456	2,842	Taylor	\$29,566	3,176
<u>Gila County</u>			Winslow	\$88,622	9,520
Globe	\$69,688	7,486	<u>Pima County</u>		
Hayden	\$8,304	892	Marana	\$126,194	13,556
Miami	\$18,022	1,936	Oro Valley	\$297,276	31,934
Payson	\$126,790	13,620	Sahuarita	\$30,180	3,242
Winkelman	\$4,124	443	South Tucson	\$51,107	5,490
<u>Graham County</u>			Tucson	\$4,530,718	486,699
Pima	\$18,516	1,989	<u>Pinal County</u>		
Safford	\$85,941	9,232	Apache Junction	\$296,159	31,814
Thatcher	\$37,441	4,022	Casa Grande	\$234,812	25,224
<u>Greenlee County</u>			Coolidge	\$72,480	7,786
Clifton	\$24,166	2,596	Eloy	\$96,582	10,375
Duncan	\$7,559	812	Florence	\$160,191	17,208
<u>La Paz County</u>			Kearny	\$20,936	2,249
Parker	\$29,231	3,140	Mammoth	\$16,403	1,762
Quartzsite	\$31,223	3,354	Maricopa	\$46,527	4,998
<u>Maricopa County</u>			Superior	\$30,292	3,254
Avondale	\$334,038	35,883	<u>Santa Cruz County</u>		
Buckeye	\$79,099	8,497	Nogales	\$194,355	20,878
Carefree	\$27,248	2,927	Patagonia	\$8,201	881
Cave Creek	\$34,704	3,728	<u>Yavapai County</u>		
Chandler	\$1,647,138	176,939	Camp Verde	\$87,980	9,451
El Mirage	\$70,833	7,609	Chino Valley	\$76,027	8,167
Fountain Hills	\$188,369	20,235	Clarkdale	\$31,856	3,422
Gila Bend	\$18,432	1,980	Cottonwood	\$85,448	9,179
Gilbert	\$1,021,178	109,697	Jerome	\$3,063	329
Glendale	\$2,036,938	218,812	Prescott	\$315,931	33,938
Goodyear	\$176,044	18,911	Prescott Valley	\$219,089	23,535
Guadalupe	\$48,668	5,228	Sedona	\$94,878	10,192
Litchfield Park	\$35,468	3,810	<u>Yuma County</u>		
Mesa	\$3,702,927	397,776	San Luis	\$142,634	15,322
Paradise Valley	\$127,199	13,664	Somerton	\$67,640	7,266
Peoria	\$1,008,769	108,364	Wellton	\$17,026	1,829
Phoenix	\$12,297,707	1,321,045	Yuma	\$723,176	77,685
Queen Creek	\$40,178	4,316			
			TOTAL	\$37,790,498	4,059,533